

COMMON VIOLATIONS TO BE AVOIDED

(The following is in conformance with the 2008-2009 edition of USPAP. Please see prior editions of USPAP as applicable to work performed in prior years.)

- (1) The reports do not include the intended use or intended user. Refer to Standards Rule 2-2(a)(i), 2-2(b)(i) and 2-2(c)(i). The Application Review Committee suggests the following language:

This report is intended for mortgage lending with XYZ Lender as the intended user.

- (2) The term "significant" means the contribution must be of substance to the development of the assignment results. A trainee who merely collects or provides data for use in the analysis does not provide significant appraisal assistance. Examples of contributions made by trainees that constitute significant appraisal assistance include the identification of comparable properties and data, inspection of the subject property and comparables, estimating accrued depreciation, or forecasting income and expenses. Concerning trainee contribution to the appraisal report, the addendum should include the following language: "It is noted that ____ assisted significantly with this report by performing the following tasks under the direction of the appraiser: [Choose from] Considered the intended use/user; researched subject and comparable sale information; performed onsite inspection; developed the report; reconciled using the three approaches to value; offered a final opinion of value"; [OR indicate the assistance you specifically performed].
- (3) The estimated completion date for proposed improvements is not included in the reports as required under SR 1-2(d); also refer to the comments to Standards Rules 1-2(e), items (i) through (v); also refer to Standards Rules 2-2(a)(vi), 2-2(b)(vi), 2-2(c)(vi); also refer to Statements on Appraisal Standards No. 3 and No. 4.
- (4) The exposure time is not included in the reports. Refer to the Comment to Standards Rules 1-2(c); the Comment to Standards Rules 2-2(a)(v) and 2-2(b)(v), and Statement 6 (SMT-6).
- (5) The Highest and Best Use is not included in the reports. Refer to the Comments to Standards Rule 1-3(b); and to Standards Rules 2-2(a)(ix), 2-2(b)(ix), 2-2(c)(ix).
- (6) The Scope of Work is not included in the reports, as required under the Scope of Work Rule.
- (7) Standards Rules 1-5(a) and 1-5(b) require an appraiser, when the value opinion to be developed is market value, and if such information is available to the appraiser in the normal course of business, to analyze (1) all agreements of sale, options, or listings of the subject property current as of the effective date of the appraisal; and (2) all sales of the subject property that occurred within three years prior to the effective date of the appraisal. Standards Rules 2-2(a)(viii), 2-2(b)(viii) and 2-2(c)(viii) call for the written appraisal report to contain sufficient information to indicate compliance with the sales history requirement, and further requires that, if sales history information is unobtainable, the written appraisal report must include a commentary on the efforts taken by the appraiser to obtain the information.
- (8) The appropriate report option does not appear in the reports. Each report must prominently state which option is used, either Self-Contained Appraisal Report, or Summary Appraisal Report, or Restricted Use Appraisal Report, as stated in Standards Rule 2-2.

COMMON VIOLATIONS TO BE AVOIDED

(The following is in conformance with the 2006 edition of USPAP. Please see prior editions of USPAP as applicable to work performed in prior years.)

- (1) The reports do not include the intended use or intended user. Refer to Standards Rule 2-2. The Application Review Committee suggests the following language:

This report is intended for mortgage lending with XYZ Lender as the intended user.

- (2) The term "significant" means the contribution must be of substance to the development of the assignment results. A trainee who merely collects or provides data for use in the analysis does not provide significant appraisal assistance. Examples of contributions made by trainees that constitute significant appraisal assistance include the identification of comparable properties and data, inspection of the subject property and comparables, estimating accrued depreciation, or forecasting income and expenses. Concerning trainee contribution to the appraisal report, the addendum should include the following language: "It is noted that ____ assisted significantly with this report by performing the following tasks under the direction of the appraiser: [Choose from] Considered the intended use/user; researched subject and comparable sale information; performed onsite inspection; developed the report; reconciled using the three approaches to value; offered a final opinion of value"; [OR indicate the assistance you specifically performed].
- (3) The estimated completion date is not included in the reports.
- (4) The exposure time is not included in the reports. Refer to the Comment to Standards Rules 1-2(c) the Comment to Standards Rules 2-2(a) and (b)(v), and Statement 6 (SMT-6).
- (5) The marketing time is not included in the reports, as required through Supplemental Standards.
- (6) The scope of work is not included in the reports.
- (7) USPAP Standards Rules 1-5(a) and (b) require an appraiser, when the value opinion to be developed is market value, and if such information is available to the appraiser in the normal course of business, to analyze (1) all agreements of sale, options, or listings of the subject property current as of the effective date of the appraisal and (2) all sales of the subject property that occurred within three (3) years prior to the effective date of the appraisal. USPAP Standards Rules 2-2(a)(ix), (b)(ix) and (c)(ix) call for the written appraisal report to contain sufficient information to indicate compliance with the sales history requirement. Standards Rules 2-2(a)(ix), (b)(ix) and (c)(ix) further require that, if sales history information is unobtainable, the written appraisal report must include a commentary on the efforts taken by the appraiser to obtain the information.
- (8) The appropriate report option does not appear in the reports: Self-contained, or summary or restricted use. Refer to Standards Rule 2-2.